

LINDA LINGLE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TRANSPORTATION  
869 PUNCHBOWL STREET  
Honolulu, Hawaii 96813-5097

BARRY FUKUNAGA  
INTERIM DIRECTOR

Deputy Directors  
FRANCIS PAUL KEENO  
BRENNON T. MORIOKA  
BRIAN H. SEKIGUCHI

IN REPLY REFER TO:

Board of Land and  
Natural Resources  
State of Hawaii  
Honolulu, Hawaii

ISSUANCE OF FUEL FACILITY LEASE  
BRADLEY PACIFIC AVIATION, INC.  
KAHULUI AIRPORT, KAHULUI, MAUI

HAWAII

REQUEST:

Issuance of a fuel facility lease to Bradley Pacific Aviation, Inc. for the development, construction, operation, use and maintenance of a fueling service facility for aircraft in connection with and on land located at the Kahului Airport, County of Maui, Island of Maui, State of Hawaii.

APPLICANT / LESSEE:

BRADLEY PACIFIC AVIATION, INC., a Hawaii company authorized to do business in the State of Hawaii, whose business and post office address is 100 Kaulele Place, Honolulu, Hawaii 96819.

LEGAL REFERENCE:

Section 171, Hawaii Revised Statutes, as amended

LOCATION AND TAX MAP KEY:

Portion of Kahului Airport County of Maui, Island of Maui, identified by Tax Map Key: 2<sup>nd</sup> Division, 3-8-001-019 (portion)

AREA:

Space No. 004-110, containing a land area of 9,471.57 square feet of unimproved land as shown and delineated on the attached map labeled Exhibit B.

ZONING:

State Land Use District: Urban  
County of Maui: Airport

LAND TITLE STATUS:

Section 5(b) lands of the Hawaii Admissions Act: Non-ceded  
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: YES ☐ NO ☒

CURRENT USE STATUS:

Airport purposes

CHARACTER OF USE:

Development, construction, operation, use and maintenance of a fueling service facility for aircraft.

TERM OF LEASE:

Fifteen (15) years

LEASE COMMENCEMENT DATE:

To be determined by the Director of Transportation at a later date.

RENT COMMENCEMENT DATE:

The rental payment shall commence on the day Lessee physically occupies the Premises or six months from the commencement date of the lease, whichever occurs sooner.

ANNUAL RENTAL:

For the first five (5) year period beginning on the commencement date, the rent shall be \$11,970 per annum. For each of the two (2) remaining five (5) year lease periods, the annual rent shall be determined when due in accordance with Article VI (Reopening of Rent), except the annual rent for each year of the second five (5) year period shall not be less than 115% of the annual rental for the last year of the immediately preceding five-year period.

ADDITIONAL FEES:

- 1) A fee of \$0.04 per gallon for the first 100,000 gallons of aviation fuel sold and \$0.06 per gallon thereafter.

PERFORMANCE BOND:

Sum equal to the annual land rental then in effect.

MINIMUM IMPROVEMENTS REQUIREMENT:

The Lessee shall, within twelve (12) months of the date of commencement of this Lease, invest the sum of not less than \$90,000 for upgrading and improving the premises and constructing the leasehold improvements, and shall submit within such time an itemized statement of the "in-place" costs of the upgrades, improvements, and construction so completed.

PROPERTY CHARACTERISTICS:

Utilities: All utilities are available at the site

Improvements: The site is currently vacant

CHAPTER 343, HRS - ENVIRONMENTAL ASSESSMENT:

Pursuant to Section 11-200-8(a), Environmental Impact Statement Rules of the Department of Health, State of Hawaii, this disposition is exempt from requirements regarding preparation of an environmental assessment, negative declaration, or environmental impact statement as required by Chapter 343, HRS, as amended, relating to Environmental Impact Statements, because the proposed action falls within Exemption Class #3, Comprehensive Exemption List for the State of Hawaii, Department of Transportation, dated May 22, 2001, as approved by the Environmental Quality Council on November 15, 2000. Exemption #3 covers construction and location of single, new, small facilities or structures.

DCCA VERIFICATION:

Place of business registration confirmed:	YES <u>√</u>	NO <u>    </u>
Registered business name confirmed:	YES <u>√</u>	NO <u>    </u>
Good standing confirmed:	YES <u>√</u>	NO <u>    </u>

REMARKS:

In accordance with Section 171-59(b), HRS, relating generally to Management and Disposition of Public Lands and relating specifically to Disposition by negotiation, the Department of Transportation proposes to issue a direct lease to Bradley Pacific Aviation Inc., for the development, construction, operation, use and maintenance of a fueling service facility for aircraft at the Kahului Airport, Kahului, Maui.

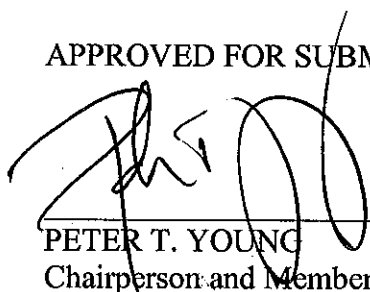
RECOMMENDATION:

That the Board authorize the Department of Transportation to issue a direct lease to Bradley Pacific Aviation Inc., subject to: (1) terms and conditions herein outlined, which are by reference incorporated herein; (2) such other terms and conditions as may be prescribed by the Director of Transportation to best serve the interests of the State; and (3) review and approval of the Department of the Attorney General as to the lease form and content.

Respectfully submitted,

  
BARRY FUKUNAGA  
Interim Director of Transportation

APPROVED FOR SUBMITTAL:

  
PETER T. YOUNG  
Chairperson and Member